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EX-OFFICER DENIES SPYING FOR SOVIET

Trial Set Sept. 14 for Floridian
Accused of Selling Data to
Russians for \$131,000

JACKSONVILLE, Fla., July 16 (AP). — A former Army warrant officer pleaded not guilty today to selling military coding secrets to the Soviet Union, and a magistrate ordered him held in lieu of \$500,000 bond.

Led into court, handcuffed and chained, Joseph George Helmich stood beside his attorney in the 10-minute arraignment and answered, "Yes, your honor," when asked if he had discussed the charges with his attorney and understood the maximum penalty, which is life in prison for each count.

The 44-year-old defendant pleaded not guilty to one count of conspiracy and three of espionage through his court-appointed attorney, Peter Dearing.

United States Magistrate Howard T. Snyder ordered that bail remain at \$500,000, and he granted a prosecution request to investigate the origin of any bail if it should be posted. Trial was set for Sept. 14 before Federal District Judge Susan H. Black in Jacksonville.

Held at Undisclosed Place

Mr. Helmich, who is being held at an undisclosed place, was arrested yesterday by agents of the Federal Bureau of Investigation at his home in nearby Jacksonville Beach. A Federal grand jury indicted him Tuesday on charges of selling military coding secrets to Soviet officials for \$131,000 from January 1963 to July 1964. The indictment contended that the conspiracy spanned 17 years, through August 1980.

Mr. Helmich was accused of calling on Soviet agents in 1963 while stationed in Paris with the Army Signal Corps and selling top-secret codes and manuals for the KL-7 Cryptosystem, described as a typewriter-size telegraph used to code and decode messages. The indictment said that as recently as last August, Mr. Helmich met Soviet representatives to ask for money that had been held for him as payment for past services.

Mr. Helmich, who joined the Army in Riviera Beach, Fla., in 1954, resigned in 1968. He has held various jobs on the East Coast since leaving the Army.

Bobby Hudson, manager of a tile company in Niagara Falls, N.Y., where Mr. Helmich worked until about six weeks ago, said Mr. Helmich told him that he was heading to Florida for "semi-retirement" and mentioned "something about coming into a lot of money."

Another former co-worker, Bob Wells, manager of a car dealership in Aiken, S.C., said that Mr. Helmich had a collection of gruesome photographs of Korean and Vietnam War victims.